

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION -- DIVISION OF FINANCIAL ASSISTANCE
JUNE 7, 2006**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION COMMITTING CLEAN BEACHES INITIATIVE GRANT FUNDS TO THE MONTARA WATER AND SANITARY DISTRICT (DISTRICT) FOR THE RENOVATION OF THE KANOFF STREET AND NIAGARA PUMP STATIONS (PROJECT) AT THE FITZGERALD MARINE RESERVE BEACH; CLEAN BEACHES INITIATIVE (CBI) GRANT PROGRAM; CBI PROJECT NO. 313

DISCUSSION

In accordance with the authority established in the CBI Program of Public Resources Code Section 30915 by AB 2534, Chapter 727, Statutes of 2002, the State Water Resources Control Board (State Water Board) administers \$43.7 million in grants to local agencies and nonprofit organizations from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) to implement projects, up to \$5 million per project, that restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters. In addition to meeting the objective of the Act, all projects receiving grants from the CBI Program are required to meet the following criteria:

- (a) projects shall be consistent with California's nonpoint source control program;
- (b) projects shall demonstrate the capability of contributing to sustained, long-term water quality or environmental restoration or protection benefits for a period of 20 years;
- (c) projects shall address the causes of degradation, rather than the symptoms;
- (d) projects shall be consistent with water quality and resource protection plans prepared, implemented, or adopted by the State Water Board, the applicable Regional Water Quality Control Board (Regional Water Board), and the State Coastal Conservancy (SCC);
- (e) projects shall be reviewed by the State Water Board in consultation with the SCC and the Clean Beaches Task Force (CBTF) appointed by the State Water Board to review projects and make recommendations for grant funding;
- (f) applicants shall inform the State Water Board of any necessary public agency approvals, entitlements, and permits that may be necessary to implement the Project, and applicants shall certify to the State Water Board at the appropriate time that such approvals, entitlements, and permits have been granted;
- (g) projects shall be consistent with recovery plans for coho salmon, steelhead trout, or other threatened or endangered aquatic species;
- (h) applicants shall be required to submit to the State Water Board a monitoring and reporting plan;
- (i) upon completion of the project, the recipient of the funds shall submit a report to the State Water Board that summarizes the completed activities and indicates whether the purpose of the project has been met;
- (j) the State Water Board must provide opportunity for public review and comment in awarding the funds; and
- (k) grant funds can only be used for the costs of construction or acquisition of capital assets as specified in Section 16727 of the Government Code.

For ease of implementation, the State Water Board divided the funding solicitation into two phases. Phase One funds have all been awarded. In the second funding phase, the CBTF recommended, and the State Water Board adopted, a Competitive Location List (CLL) on April 21, 2005 (Resolution No. 2005-0028). The CLL was designed to target specific beaches that are known to have persistent bacterial water quality problems such as a beach that is frequently or permanently posted with signs

warning beachgoers of the risks associated with exposure to beach waters. To date, the CBTF has recommended \$17.4 million of the \$22.2 million available for Phase Two projects. The recipients are in the process of completing environmental review, and will receive funding commitments upon environmental approval.

State Water Board Resolution No. 2005-0028 limits the amount of CBI grant funds for wastewater system improvement projects to 25 percent of eligible project costs. This Project will renovate the Kanoff Street and Niagara sewage pump stations by replacing existing pumps and equipment to increase reliability. The pump stations are located on the Fitzgerald Marine Reserve and are subject to overflow of sewage onto the beach and into the local ocean waters. The Fitzgerald Marine Reserve Beach at San Vicente Creek is on the State Water Board's approved CLL.

The purpose of this Project is to eliminate sewage overflows from the two pump stations. The effectiveness of the Project will be measured according to an approved monitoring plan, and the results will be reported in a final project report. The infrastructure will be designed to have a minimum useful life of 20 years, and will be incorporated into the City's maintenance management program.

The CBTF reviewed the District's proposal and recommended the Project for 25 percent funding at the February 22, 2006 meeting. The District adopted a Resolution designating an authorized representative for the Project on May 4, 2006.

The District filed a Notice of Exemption with the San Mateo County Clerk on October 10, 2005, for the proposed renovation of Kanoff, Vallemar, and Niagara Pump Stations. A categorical exemption from California Environmental Quality Act (CEQA) requirements was applied to the District's project(s) because the project(s) consists of renovation of three existing sewerage pump stations to improve safety, reduce maintenance costs, and improve energy efficiency [Class 1, Maintenance and repair of existing facilities not having any adverse affect on environmental resources, CEQA Guidelines Section 15301]. State Water Board staff has reviewed and considered the District's Notice of Exemption and has determined that the Project qualifies for a Class 1 Categorical Exemption from CEQA requirements, and will not result in any significant water quality impacts.

FISCAL IMPACT

The *Watershed, Clean Beaches, and Water Quality Act* (Public Resources Code, §30901) appropriated \$43.7 million to the CBI Program for grants up to \$5 million per project to restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters. This project will be funded by the CBI Program, and will have the following fiscal impact.

Proposition 40 Funding	\$43,700,000
Total Previous Commitments	\$22,111,000
Funds Available for Current Commitments	\$21,589,000

State Water Board Funding Commitment for July 2006:

Montara Sanitary District, CBI Grant #313	\$250,000
Funds Remaining for Future Commitments	\$21,339,000

REGIONAL WATER BOARD IMPACT

The San Francisco Bay Regional Water Quality Control Board has reviewed the Project and determined that it is consistent with existing water quality control plans.

POLICY ISSUE

Should the State Water Board approve CBI grant funding for the District's Proposed Project?

STAFF RECOMMENDATION

That the State Water Board approve a CBI grant commitment of \$250,000 for the District's Project.

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2006-**

CONSIDERATION OF A RESOLUTION COMMITTING CLEAN BEACHES INITIATIVE
GRANT FUNDS TO THE MONTARA WATER AND SANITARY DISTRICT (DISTRICT) FOR THE
RENOVATION OF THE KANOFF STREET AND NIAGARA PUMP STATIONS (PROJECT) AT THE
FITZGERALD MARINE RESERVE BEACH; CLEAN BEACHES INITIATIVE (CBI) GRANT PROGRAM;
CBI PROJECT NO. 313

WHEREAS:

1. The *Watershed, Clean Beaches, and Water Quality Act* (Act) (Public Resources Code §30901) was signed into law on September 20, 2002. The Act appropriated \$46 million from Proposition 40 for additional CBI grants to help local agencies, non-profit organizations, and public agencies implement projects that protect and restore California's coastal water;
2. The CBI funds appropriated in the Act are available for encumbrance up to December 31, 2006;
3. The State Water Resources Control Board (State Water Board), on April 21, 2005, adopted the CBI Competitive Location List which included the Fitzgerald Marine Reserve Beach;
4. The Clean Beaches Task Force reviewed the District's proposed Project in the Fitzgerald Marine Reserve, and recommended it for funding at the February 22, 2006 meeting; and
5. The District has prepared a Notice of Exemption, which has been reviewed and considered, and State Water Board staff has determined that the project qualifies for a Class 1 Categorical Exemption from CEQA requirements, and will not result in any significant water quality impacts.

THEREFORE BE IT RESOLVED THAT:

The State Water Board approves a grant for the District's Project not to exceed \$250,000 from the *Watershed, Clean Beaches, and Water Quality Act*.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on June 7, 2006.

Song Her
Clerk of the Board